

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY CORPORATION)	
FOR AN ORDER AUTHORIZING THE ISSUANCE OF)	CASENO.
UP TO 2,200,000 SHARES OF COMMON STOCK)	2011-00087
THROUGH ITS LONG-TERM INCENTIVE PLAN)	

O R D E R

On March 9, 2011, Atmos Energy Corporation (“Atmos”) submitted its request for an Order authorizing the issuance of 2,200,000 additional shares of no par value Atmos Common Stock through its Long-Term Incentive Plan for Management (“LTIP”). Atmos’s original LTIP, which authorized the issuance of 1,500,000 shares of common stock, was approved in 1998 in Case No. 1998-00509.¹ In 2007, in Case No. 2007-00098, the Commission approved the issuance of up to 2,500,000 shares of common stock through Atmos’s LTIP.² The LTIP is used to attract and retain the services of employees and non-employee directors, to provide them with a proprietary interest in Atmos, and to motivate them using performance-related incentives linked to longer-

¹ Case No. 1998-00509, In the Matter of the Application of Atmos Energy Corporation (Atmos), Through its Division, Western Kentucky Gas Company of Owensboro, Kentucky, for an Order Authorizing the Creation and Issuance of 150,000 Shares of Common Stock Through its Equity Incentive and Deferred Compensation Plan for Non-Employee Directors and 1,500,000 Shares Through its 1998 Long-Term Incentive Plan (Ky. PSC Jan. 15, 1999).

² Case No. 2007-00098, The Application of Atmos Energy Corporation for an Order Authorizing the Issuance of up to 2,500,000 Shares of Common Stock Through its 1998 Long-Term Incentive Plan (Ky. PSC Apr. 16, 2007).

range performance goals and the interest of Atmos's shareholders. The shares will be issued solely through the LTIP and will generate no proceeds.

On April 4, 2011, Atmos provided its response to Commission Staff's request for information. There are no intervenors in this proceeding.

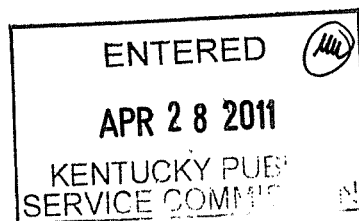
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the proposed issuance of 2,200,000 shares of common stock through Atmos's LTIP as described in Atmos's application is for lawful objects within the corporate purposes of Atmos's utility operations, is necessary and appropriate for and consistent with the proper performance of its service to the public, will not impair its ability to perform that service, is reasonably necessary and appropriate for such purposes, and should be approved.

IT IS THEREFORE ORDERED that:

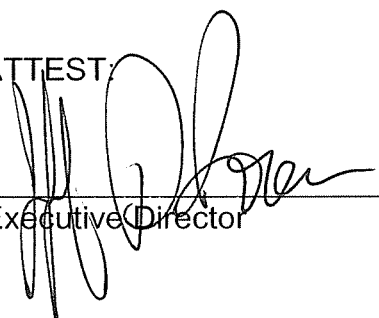
1. Atmos is authorized to issue up to 2,200,000 shares of common stock through its LTIP, as set forth in its application.
2. The proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in the application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

By the Commission



ATTEST:



Executive Director

Case No. 2011-00087

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